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RURAL ELECTRIFICATION ADMINISTRATION

PROGRESS BULLETIN
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Administrator John M. Carmody today announced several organizational changes to speed up and consolidate REA's expanding activity in the construction of projects and the supervision of their operations.

Boyd Fisher, who has been Director of the Development Division, was appointed director of a newly created Division of Operations Supervision. The Development Division, whose activities in connection with the initiation of projects have been shrinking as the demand for projects outran the limited funds available, will be known as the Examining Division. It will be headed by C. O. Falkenwald, a Development Division Field Representative of long experience, as acting director.

Melvin O. Swanson resigned as chief engineer. Ward B. Freeman, who has been chief of the Project Control Section will act as coordinator of engineering activity. Mr. Swanson will undertake for the Administrator special research work relating to the engineering feasibility of projects. Mr. Freeman will direct the accelerating program of rural line construction.

In commenting on the changes Mr. Carmody said:

"We are in an expanding program. Between July 1 and September 17 we have approved \$28,500,000 of construction contracts. This is more than the total of construction contracts approved in all of the last fiscal year.

"This building program is making terrific demands upon the whole engineering staff at headquarters and in the field. More than one hundred project engineers, employed by the borrowers, must have their work coordinated with the work of contractors, project superintendents and REA headquarters engineers. All this work must be speeded up in order that we may get every possible mile of line built before winters shuts down on us in some sections.

"Although we have already made great progress, we consider ourselves behind schedule in that we are not getting the lines up as fast as they can be erected and as we are determined that they shall be erected.

"As a result of plans in process for months, we now have in the field or in training for field work, an enlarged field engineering staff that will carry out in the field the spirit of coordination as it is being practiced in the various divisions here.

"Mr. Freeman is a management engineer of long experience. He knows the techniques of building and maintaining schedules and is particularly qualified to handle this present large task of coordination.

"Mr. Swanson is distinguished particularly as a thoroughly competent technician and research man. He played a prominent part in the design and adoption of new rural line construction principles which have materially reduced the cost of farm service. He is well fitted for the special research work,

"The reason for the change affecting project examination and operation is that while we have about \$100,000,000 of applications for projects, our funds for financing them are very limited. Virtually all of our money is earmarked. Development work has accordingly settled down to examination for feasibility of those projects for which funds are available or may become available hereafter.

"Meanwhile about 100 projects have gone into operation. Projects are now having the current turned on at the rate of two and three per week. They need much technical and administrative assistance which this new Division of Operations Supervision will provide.

"As rapidly as is consistent with our limited budget, the Division of Operations Supervision will organize its work in detail and integrate it especially with Project Examination, Engineering, Accounting, and Utilization with a view to coordinating those activities where they affect management and the pay out and ultimate success of the projects.

"To the degree that Project Superintendents and Managers, as they are appointed and approved, are responsible to REA the contact will be maintained through the Division of Operations Supervision, having in mind the responsibility of the Personnel Section for its proper function of recruiting, training and personnel record keeping."